8/5/81 C 8400-1

UP's marketing philosophy: "Let's try it"

July 27, 1981

RAILWAY AGE

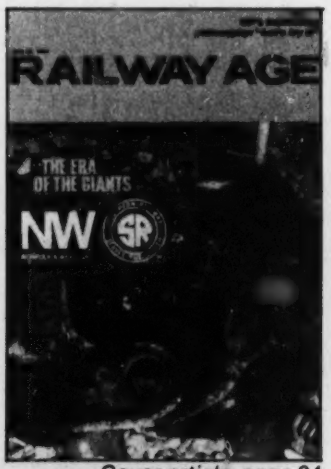
RGO372494MAR63 1030404OF713 C
CONGRESSIONAL INFO SVC ***
SRI ACQUISITIONS ***
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

BEST AVAILABLE COPY

RAILWAY AGE

July 27, 1981

FEATURES



Cover article, page 24

24 One system, one sales team
In many respects, Norfolk & Western and Southern will retain their separate identities after merger into NWS—but when it comes to sales and service, they will speak with a single voice.

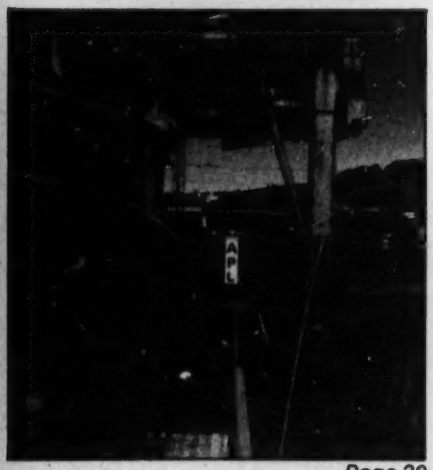
30 UP's marketing philosophy: "Let's try it"
Once known as an operating man's railroad that ran by the operating department's book, UP is fast becoming a marketing man's railroad willing to take risks to prove that it is ultimately a *customer's* railroad.

37 Contract Car Repair Directory

80 Quick-Car keeps busy despite rail-work lag
At two of its four shops, FreightMaster's Quick-Car is filling a temporary void in railcar work with non-rail jobs for the parent company.

82 Track improvements boost Tucumcari traffic
Through subsidiary Cotton Belt, Southern Pacific paid $57 million for Rock Island's Tucumcari line and is now rebuilding it at a cost of $97 million; the results are already showing up in traffic volume.

90 Railview: Coal vs electrification
Former CNJ President Perry M. Shoemaker contends that modern coal burning locomotives will promote the national interests of defense and energy conservation and the economic interest of railroads.



Page 30

Page 82

NEWS

4 Short and Significant
9 Santa Fe and OT-5: "A fair solution"
9 ARAM picks Golden Spike winners
12 Chessie adds fast TOFC train
12 BN reorganizes marketing setup
12 Milwaukee mounts new TOFC push
16 UP/MP/WP merger draws SP fire
16 Rules set for feeder-line sales
16 New guidelines for "dominance"
16 Door-to-door TOFC pays off
94 The Railroad Market

COMMENT

3 Inside
10 Watching Washington
14 Lines on Labor

DEPARTMENTS

86 100 years ago
88 People in the News
89 Suppliers
93 Letters
95 Classified Advertising
97 Carloadings
98 Products Report
99 Guide to advertisers
100 Professional cards
100 New Literature

COVER: Photo by Roy H. Blanchard, Jr.

Market

CARLOADINGS

Loadings of revenue freight in the week ended July 4 totaled 405,271 cars, according to the Association of American Railroads. This was an increase of 59,901 cars, or 17.3%, compared with the corresponding week last year. Ton-miles generated by carloadings in the week ended July 4 are estimated at 17.1 billion, an increase of 18.4% above the corresponding week of 1980. Both weeks included the Independence Day holiday.

REVENUE FREIGHT CARLOADINGS

Commodity	July 7 week	June 27 week
Grain	23,420	25,868
Farm products	3,137	3,858
Metallic ores	36,822	39,086
Coal	109,480	125,906
Crushed stone, gravel & sand	12,658	13,810
Nonmetallic minerals	14,558	14,445
Grain mill products	12,179	13,789
Food and kindred products	13,725	16,033
Primary forest products	14,920	18,377
Lumber & wood products (except furniture)	6,841	8,682
Pulp, paper & allied products	18,388	20,078
Chemicals & allied products	23,886	25,540
Petroleum products	4,505	4,832
Stone, clay & glass products	13,193	14,064
Coke	6,432	7,143
Metals & products	14,967	15,932
Motor vehicles & equipment	16,790	20,235
Waste & scrap materials	10,471	12,124
Forwarder & shipping assn. traffic	9,481	10,106
All other carloads	39,244	42,229
LCL traffic	174	199
Total cars loaded	**405,271**	**452,336**
Cumulative total, 27 weeks	**11,174,239**	**11,828,405**
Estimated revenue ton-miles (billions), 27 weeks	**467.4**	**474.6**

*1981 1980

PIGGYBACK LOADINGS

U.S. piggyback loadings for the week ended June 27 totaled 35,079 cars (7.1% above the corresponding 1980 week) and 62,285 trailers or containers (up 2.1% from 1980). Cumulative volume for the first 26 weeks of 1981 is 843,450 (down 0.7% from 1980) and 1,525,140 trailers or containers (down 1.3% from 1980).

CANADIAN CARLOADINGS

Canadian railway revenue freight loaded in the nine-day period ended June 30 totaled 7.3 million tons (up 9.2% from 1980). Cars loaded totaled 102,215 (up 9.9% from 1980).

• *California Department of Transportation.*—Awarded a $278,000 contract to UTDC (USA) Inc. for the provision of professional services toward the upgrading of the San Francisco-San Jose rail commuter service. Southern Pacific operates the service under contract to Caltrans. The capital improvement program now being undertaken by Caltrans involves acquisition of new locomotives and new bi-level cars as well as facility improvements.

• *CP Rail.*—Ordered 165 container flatcars from National Steel Car Corp. at a cost of approximately $9.8 million.

• *New York City Transit Authority.*—Awarded a $15-million contract to the GSI Engineering Division of General Steel Industries and its licensee, Buckeye Steel Castings, for steel, coil spring truck castings to begin a retrofit program for NYCTA's fleet of R-46 cars. Deliveries of the GSI-designed trucks will begin in December. Replacing the trucks on all 754 R-46 cars will require 2½ years and about $45 million worth of new trucks. Buckeye will serve as prime contractor. The contract calls for the initial production of 500 truck castings with options for a second 500 and then a final 548.

• *Freight cars and locomotives.*—The following report has been received from the AAR and the ARCI:

DELIVERED

	May		April	Five Months	
	1981	1980	1981	1981	1980
Built new by carbuilders	3,779	7,484	3,792	21,754	38,039
Built new in RR shops	364	589	453	1,841	2,398
Built new—total	4,143	8,073	4,245	23,595	40,437
Rebuilt	125	188	125	571	795
TOTAL DELIVERED	**4,268**	**8,261**	**4,370**	**24,166**	**41,232**
Locomotives	67	167	70	325	855

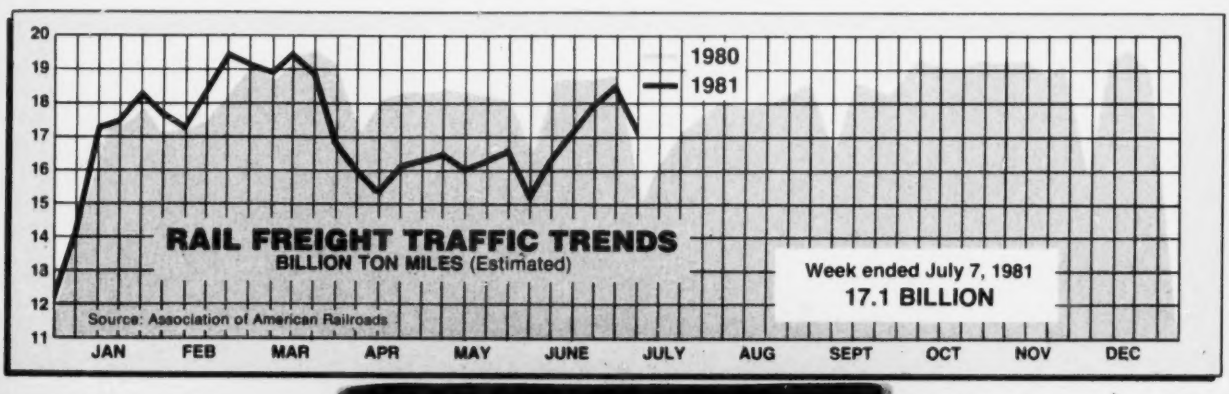
ORDERED

To be built new by carbuilders	1,791	3,882	1,737	9,393	19,264
To be built new in RR shops	0	1,862	25	25	2,877
To be built new—total	1,791	5,744	1,762	9,418	22,141
To be rebuilt	500	0	0	1,100	869
TOTAL ORDERED	**2,291**	**5,744**	**1,762**	**10,518**	**23,010**

ON ORDER AND UNDELIVERED

	June 1		May 1	Average backlog	
	1981	1980	1981	1981	1980
To be built new by carbuilders	32,900	78,911	35,920	38,459	94,749
To be built new in RR shops	2,688	6,731	3,052	3,475	5,633
To be built new—total	35,588	85,642	38,972	41,934	100,382
To be rebuilt	529	174	154	268	492
TOTAL ON ORDER	**36,117***	**85,816**	**39,126**	**42,202**	**100,874**
Locomotives	287	953	341	407	1,146

*Due to revisions and cancellations of some orders, the June 1, 1981, backlog has been reduced by 1,032 cars.



BEST AVAILABLE COPY